



CITY OF HAYWARD AGENDA REPORT

Meeting Date 03/25/04

Agenda Item 2

TO: PLANNING COMMISSION

FROM: Arlynne J. Camire, Associate Planner, AICP

SUBJECT: Zone Change Application No. PL-2003-0746 - Satish Narayan (Applicant)/Rana Ahmed (Owner) - Request to Modify Planned Development No. 88-4 to Divide a 23,675-Square-Foot Anchor Store into Three Smaller Stores

The Property is Located at 24989 Santa Clara Avenue in a Planned Development (PD) Zoning District

RECOMMENDATION:

It is recommended that the Planning Commission

1. Find that the proposed project is Statutorily Exempt from the California Environmental Quality Act (CEQA) guidelines, Section 15270 (a), Projects Which Are Disapproved, and
2. Deny the zone change modification subject to the attached findings.
3. Direct staff to bring back the modification of the Planned Development, incorporating uses consistent with the policies of the General Plan and providing appropriate environmental review.

DISCUSSION:

Background

On August 1, 1989, the City Council approved a Planned Development District allowing the construction of Gateway Plaza on seven parcels comprising about 7 acres. This neighborhood shopping center is located at the corner of Santa Clara and West Jackson Streets and contains various restaurants, retail shops, and medical, administrative and personal services. Located near Interstate 880 as well as the Santa Clara, Jackson Triangle, and Harder-Tennyson neighborhoods, the Planned Development District serves both local and regional customers.

The Planned Development District included two major tenants, Lucky's Supermarket and Payless Drug Store. Currently, Albertsons/Sav-on occupies the larger 48,250-square-foot anchor store, and the 23,675-square-foot former Payless Drug Store (later Rite-Aid) is vacant. This smaller anchor, under separate ownership from the remainder of the shopping center, sits at the southwest corner of the center, has visibility from West Jackson Street, and backs onto a vacated portion of West Harder Road, separating it from a single-family residential neighborhood.

When Albertsons/Sav-on took occupancy of the major anchor store, an agreement was reached between Albertsons/Sav-on and the shopping center that there would be no other drug store in that center to compete with the Sav-on component of their operation. For this reason, the owner of the secondary anchor store is not able to lease the former Payless/Rite-Aid store to another drug store.

Proposal

The applicant is requesting to divide the smaller of the two anchor stores into three lease spaces to accommodate a variety of commercial uses. The appearance of the building would be altered by installing "storefront" windows and doors, removing the decorative wooden trellis, and extending the pitched terra cotta tile roof over the walkway extending from Foot Express. The design and color of the facade would be consistent with the remainder of the shopping center. The existing archway tower elements would be the prominent entry features for Units I and III. The smallest unit, Unit II, would be between the larger units and would have a main entry adjacent to the main entry of Unit I. The size and location of business signs would be required to be consistent with the master sign program for the shopping center.

Because the Planned Development District calls for two large anchor stores, a modification of the Planned Development District is required to eliminate one of the anchors. The applicant has stated that the smaller anchor store has been marketed for lease to a single tenant without success. He believes that the anchor store would be more marketable if it were divided into three tenant units of 7,395 square feet, 3,273 square feet, and 12,007 square-feet. Although he has begun to market the three units, he has not yet found tenants. In the past, the applicant had given consideration to leasing to a Chinese restaurant and banquet hall and a dollar store, but he indicates that he is not longer considering these uses.

In staff's opinion, the proposal is not consistent with the Economic Development Element of the General Plan which requires *"utilization of an economic strategy that balances the need for development with other City goals and objectives."* One of the policies of the General Plan states, *"Promote Hayward as a destination for nonresidents."* An anchor store on State Route 92 (West Jackson Street) near Interstate 880 can serve this purpose since it typically has a wider customer base than small shops. The division of the anchor store as requested may actually be detrimental to the long-term viability of the shopping center since a use that has a regional draw would not be provided and fewer customers would visit the center. Another policy calls for attracting businesses that focus on sales tax and employment generators, including community-serving retail uses. The community-serving retail uses in the shopping center should provide a service or merchandise that is underrepresented or not available to City residents. According to the market research completed by the City's Community and Economic Development staff, a shopping center of 73,000 square feet or more can sustain two anchor stores. Staff believes the 23,675-square-foot anchor store is marketable at its current size and has encouraged the owners to market the unit to one tenant that could provide a service or product that is not available or under represented in the City. For example, acceptable uses for the anchor store might include a garden store, a craft store, a hardware store, a fabric store, a kitchen/linen store, a book store, a bath shop, a music store, a clothing store, a specialty food and beverage store, or a destination sit-down restaurant (e.g., Fresh Choice, the Outback, Spaghetti Factory, Claim Jumpers, Red Lobster).

Because the applicant has not proposed a use or uses in keeping with City goals for either the anchor store or the three proposed stores, staff cannot support the modification to the Planned Development District as requested. However, in order to promote the expeditious use of the anchor store in keeping with the goals of the General Plan and to support the vitality of the shopping center, staff would be supportive of a modification to the Planned Development to provide for uses such as those discussed above. Accordingly, such a modification to the Planned Development could be advertised for public review and appropriate environmental review and findings could be prepared for a future meeting.

Environmental Review:

The project has been reviewed according to the standards and requirements of the California Environmental Quality Act (CEQA) this project is Statutorily Exempt from CEQA guidelines, Section 15270 (a), Projects Which Are Disapproved.

Public Hearing Notice:

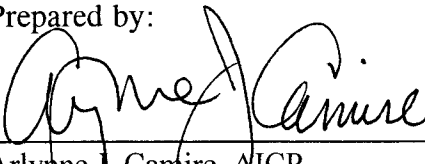
On January 7, 2004, a Referral Notice was mailed to every property owner and occupant within 300 feet of the property as noted on the latest assessor's records, former members of the Harder-Tennyson Neighborhood Plan Task Force, and to all parties having previously expressed an interest in this project. Staff received one e-mail in support of the application (attached).

On March 12, 2004, a Notice of Public Hearing was mailed. All tenants of Gateway Plaza received the notice in addition to all who received the Referral Notice. Staff received an additional e-mail in support (attached) and one phone call in opposition.

Conclusion:


Typically, a commercial property owner may find it to his/her economic advantage to divide larger stores into smaller lease spaces so as to impose higher per-square-foot rents; however, for the economic vitality of the shopping center as a whole, it is economically healthier to maintain the anchor stores. The division of the anchor store into uses that are neither neighborhood serving nor have a regional draw would not be in keeping with the City's goals and policies. Therefore, staff recommends that the application for a modification of the Planned Development District, as requested, be denied. If denied, the decision of the Planning Commission may be appealed to the City Council. Alternatively, staff is supportive of returning to the Planning Commission with a modification to incorporate uses of the anchor store that are in keeping with the spirit and intent of the General Plan.

Prepared by:



Arlyne J. Cantire, AICP
Associate Planner

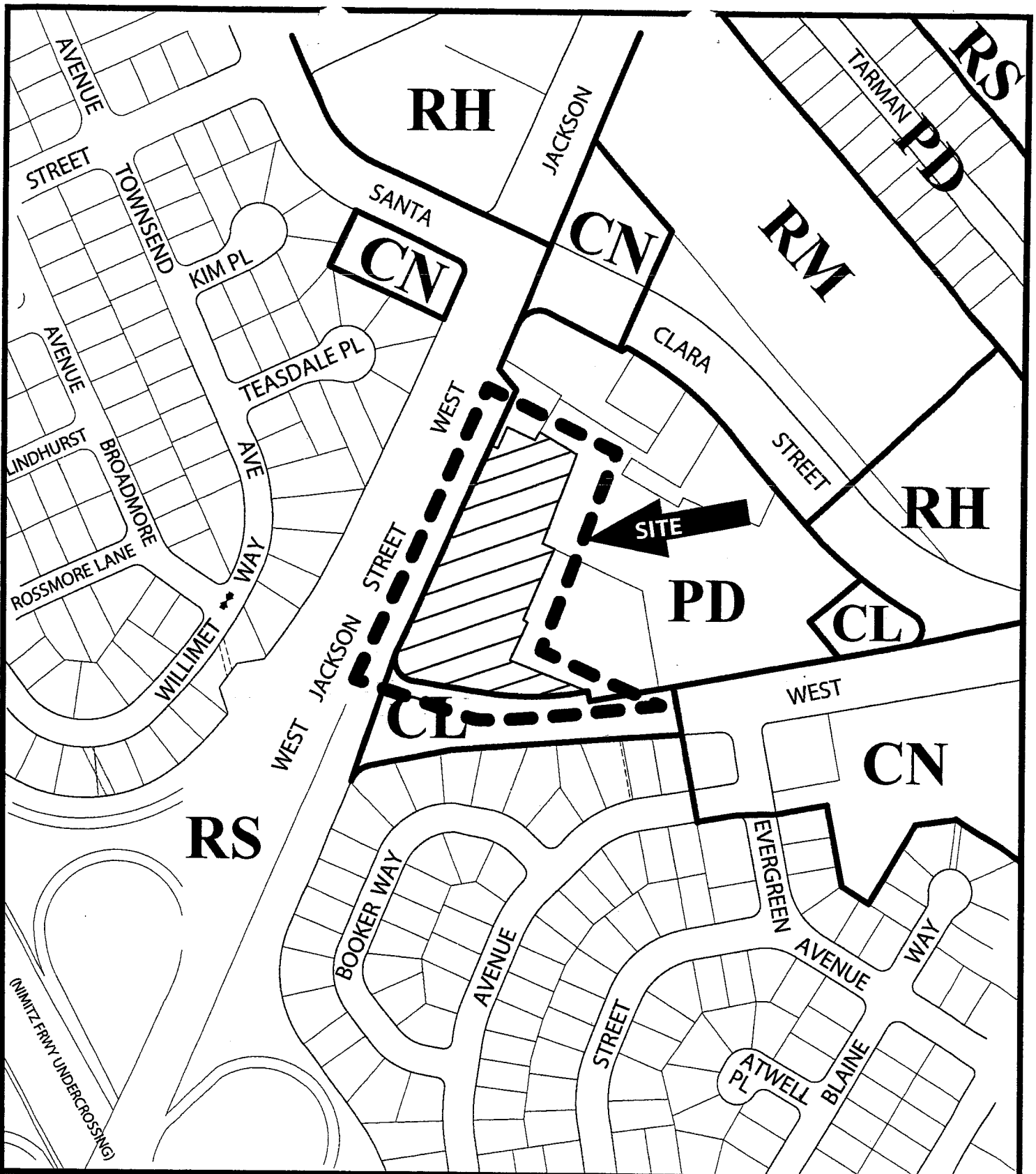
Recommended by:



Dyana Anderly, AICP
Planning Manager

Attachments

- A. Area and Zoning Map
- B. Two E-mails from Ken Price
- C. Finding of Denial
Plans and Elevations



Area & Zoning Map

PL-2003-0746 ZC

Address: 24989 Santa Clara Avenue

Applicant: Satish Narayan

Owner: Rana Ahmed

CL-Limited Access Commercial

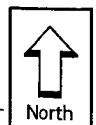
CN-Neighborhood Commercial

PD-Planned Development

RH-High Density Residential RHB 7

RM-Medium Density Residential RMB 3.5, RMB 4

RS-Single-Family Residential,RSB4,RSB6



From: ken.price@comcast.net
Sent: Thursday, January 08, 2004 7:35 PM
To: Arlynne Camire
Subject: PL-2003-0746 ZC - Former Rite Aid Building

Arlynne:

This building has now sat empty for about a year and of no value to anyone. If subdividing into two or three smaller tenant spaces would enhance the possibility of rent/leasing then I feel it would be much better than for it to remain empty waiting for a tenant wanting such a large space.

Ken Price

Arlynnne Camire

From: ken.price@comcast.net
Sent: Thursday, March 18, 2004 9:32 AM
To: Arlynnne Camire
Subject: Proposal (ZC) PL-2003-0746 - Planned Development 88-4

Arlynnne:

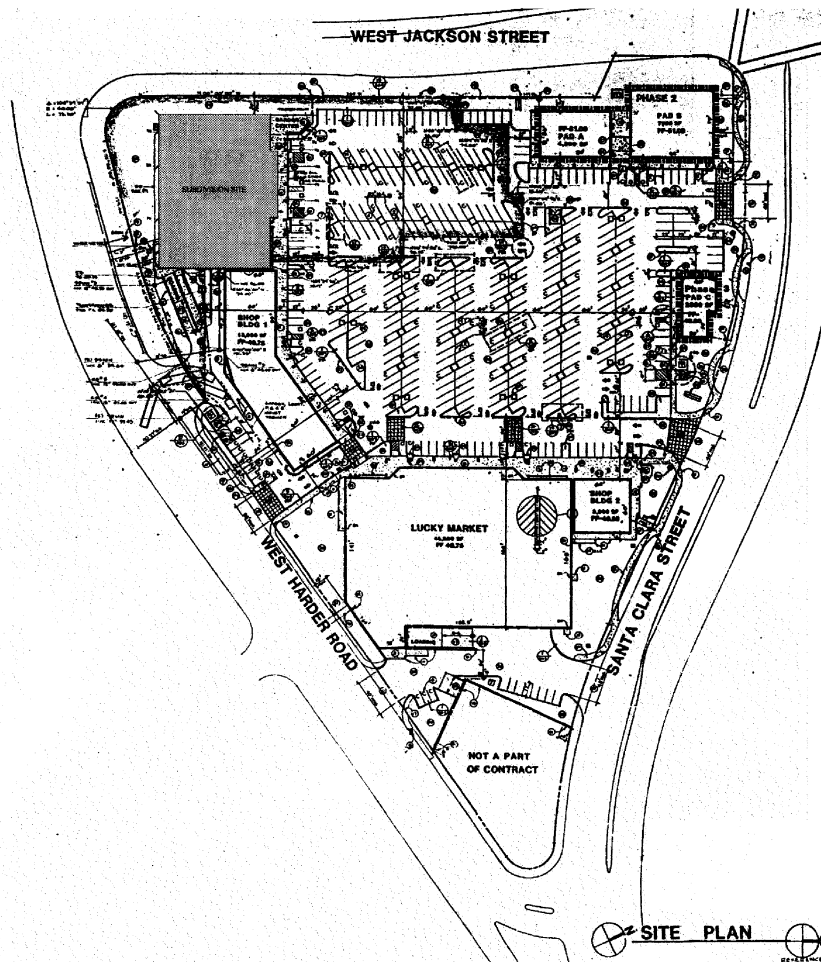
I support the plan to divide the former Rite Aid into smaller stores. The city needs the Tax Income and I can see no harm.

Ken Price

FINDINGS FOR DENIAL
Zone Change Application No. PL-2003-0101
Satish Narayan (Applicant)
Rana Ahmed (Owner)
Request to Modify Planned Development No. 88-4
24989 Santa Clara Avenue

Based on the staff report and the public hearing record:

- A. The project application has been reviewed according to the standards and requirements of the California Environmental Quality Act (CEQA) and is Statutorily Exempt from CEQA guidelines, Section 15270 (a), Projects Which Are Disapproved.
- B. The project is not in substantial harmony with the surrounding area and does not conform to the Economic Development Element of the General Plan that requires the promotion of Hayward as a destination for nonresidents. An anchor store on State Route 92 (West Jackson Street) near Interstate 880 can serve this purpose since it typically has a wider customer base than small shops. The division of the anchor store as requested may actually be detrimental to the long-term viability of the shopping center since a use that has a regional draw would not be provided and fewer customers would visit the center in that the division of the anchor would not attract a use that is underrepresented in the western area of the City.
- C. The applicant has not provided evidence that the project will not provide a use or uses that will be in conformity with applicable performance standards. The intent of the Planned Development District is to carry out the policies and objectives of the General Plan. In addition, the overall planning for the purpose intended will not create an environment of sustained desirability and stability through the design and development standards since the division of the anchor store does not guarantee that that the unknown uses would serve the neighborhood and the region.
- D. The exception to the policies and goals of the Economic Development Element of the General Plan and the Planned Development District is not adequately compensated for because it has not been proven that the potential uses that could be beneficial to the residents of Hayward could be provided. In addition, the division of an anchor store may decrease the number of customers to the center because the potential of a regional draw will be removed.



SCOPE OF WORK

THIS PROPOSAL INVOLVES CHANGE OF USE AND SUBDIVISION OF EXISTING 22,876 SQ.FT. EMPTY SPACE INTO THREE SMALLER STORE UNITS FOR TENANCY AND DIVERSE LAND USE. THE PRIMARY WORK INVOLVED IS TO CLEAR & SUBDIVIDE THE EXISTING DRUG STORE INFRASTRUCTURE INTO THREE SMALLER STORES THAT CAN BE OCCUPIED BY DIFFERENT VENDORS, INCLUDING ONE LARGE UNIT SPACE FOR A RESTAURANT & BANQUET FACILITY. SCOPE OF CONSTRUCTION ACTIVITY PROPOSED IS OUTLINED BELOW.

DEMOLITION/WALL OPENINGS

1. REMOVE ALL EXIS. WALLS/DOORS AS SHOWN.
2. REMOVE ALL SOFFITS/FRONT GLAZING.
3. DISCONNECT ALL PLUMBING/ ELECTRICAL FIXTURES WHERE REQUIRED.
4. REMOVE ALL FIXTURES/DEVICES WHERE EXISTING.
5. REMOVE TILES WHERE DAMAGED (WALL, CEILING, FLOOR).
6. CREATE NEW WALL OPENINGS FOR FRONT GLAZING IN UNITS I & III.
7. CREATE NEW WALL OPENINGS FOR ENTRY & EGRESS DOORS WHERE SPECIFIED.

ADDITIONS/TO PROVIDE:

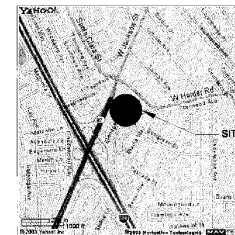
1. PROVIDE NEW COLUMNS AND ROOFING FOR WALKWAY IN FRONT OF UNIT I AS SPECIFIED.
2. PROVIDE NEW GLAZING W/ NEW DOORS & FIXED GLAZING TO REPLACE ALL EXISTING FRONT GLAZING. ALL NEW GLAZING AT FRONT TO BE DOUBLE GLAZED LOW E.
3. PROVIDE NEW GLAZING & NEW DOORS WHERE SPECIFIED IN FRONT OF UNITS I & III. ALL NEW GLAZING AT FRONT TO BE DOUBLE GLAZED LOW E.
4. PROVIDE NEW EGRESS DOORS TO MEET CODE REQUIREMENTS OF DOOR TYPE AND LANDING.
5. PROVIDE NEW CEILING WHERE SOFFIT IS REMOVED. (NEW TILES TO MATCH EXIS.)
6. PROVIDE NEW PARTITION WALLS AND FULL HEIGHT WALLS AS PER PLAN.
7. PAINT ALL INTERIOR WALLS.
8. PAINT FRONT AND REAR EXTERIOR WALLS.

SHEET INDEX

TOTAL SHEETS - 3

ARCHITECTURAL

- | | |
|-------|--------------------------------|
| A 0.1 | COVER SHEET (SITE PLAN) |
| A 0.2 | PROPOSED & DEMO PLAN |
| A 0.3 | EXISTING & PROPOSED ELEVATIONS |



VICINITY MAP

PROJECT DESCRIPTION:

BUILDING OCCUPANCY: COMMERCIAL
STORIES: 1
PROPERTY ADDRESS: 24989 SANTA CLARA STREET, HAYWARD, CA 94544
APN: 443-0065-012-00
EXISTING STRUCTURE:
TOTAL EXISTING AREA = 22,876 SQ.FT.
PROPOSED STRUCTURE:
UNIT I AREA = +/- 5,447 SQ.FT.
UNIT II = +/- 5,271 SQ.FT.
UNIT III = +/- 12,030 SQ.FT.

PROJECT CONTACTS:

APPLICANT: SATISH NARAYAN
3890 MOWRY AVE #204, FREMONT CA 94538
(510)-453-5942 CELL

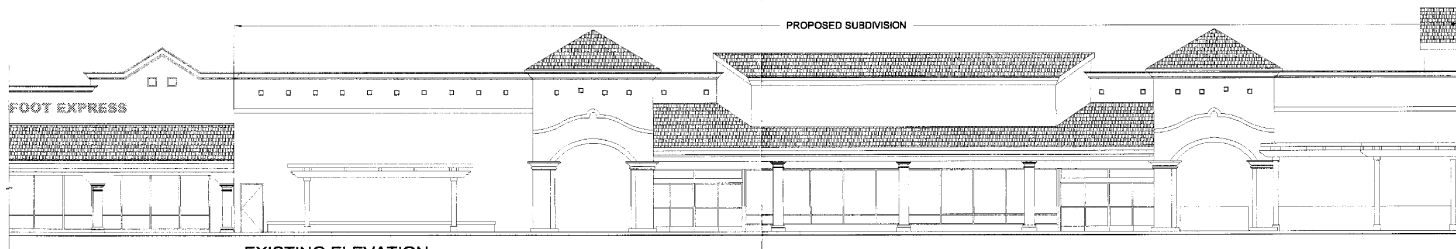
OWNER: RANA N. & SILVIA AHMED
3890 MOWRY AVE #204, FREMONT CA 94538
(510)-795-2200

DESIGNER: JITENDER MAKKAR
EDGE CONCEPTS INC.
(510)-396-2149 CELL/ (510)-792-7220 PH/FAX

NOTES: GENERAL

- ALL WORK SHALL BE IN COMPLIANCE WITH THE 2001 EDITIONS OF THE CALIFORNIA BUILDING CODE, CALIFORNIA PLUMBING CODE, CALIFORNIA MECHANICAL CODE, CALIFORNIA ELECTRICAL CODE, CALIFORNIA FIRE CODE AND ANY APPLICABLE LOCAL COUNTY AND CITY ORDINANCES.
- CONTRACTOR SHALL NOTIFY THE DESIGNER AND/OR THE ENGINEER OF ANY DISCREPANCIES ON DRAWINGS REQUIRING CLARIFICATION OR REVISION BEFORE COMMENCING WITH THE WORK.
- DRAWINGS SHALL NOT BE SCALED. THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS RELATED TO EXISTING CONDITIONS. DETAILS NOT SPECIFICALLY SHOWN SHALL BE OF SAME NATURE AS OTHER SIMILAR CONDITIONS.
- STRUCTURAL DESIGN OR REVIEW OF TEMPORARY SHORING, ADDITIONAL REINFORCING, BRACING, FORM WORK, SCAFFOLDING, ERECTION METHODS, ETC, REQUIRED FOR PROPER CONSTRUCTION OF THE PROJECT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR.

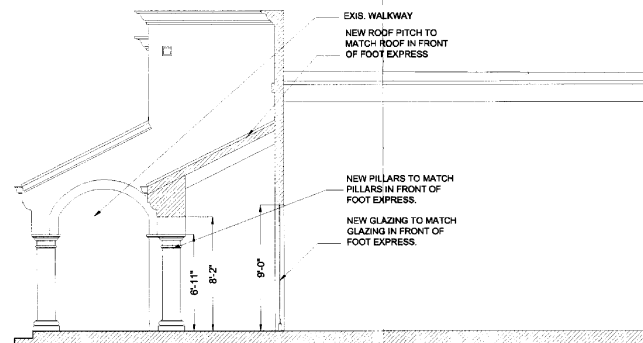
ARCHITECTURAL CONSULTANT: EDGE CONCEPTS INC. 3890 MOWRY AVE #204, FREMONT CA 94538 (510)-453-5942 CELL	
MECHANICAL CONSULTANT: JITENDER MAKKAR EDGE CONCEPTS INC. 3890 MOWRY AVE #204, FREMONT CA 94538 (510)-396-2149 CELL/ (510)-792-7220 PH/FAX	
ELECTRICAL CONSULTANT: JITENDER MAKKAR EDGE CONCEPTS INC. 3890 MOWRY AVE #204, FREMONT CA 94538 (510)-396-2149 CELL/ (510)-792-7220 PH/FAX	
LANDSCAPE CONSULTANT: JITENDER MAKKAR EDGE CONCEPTS INC. 3890 MOWRY AVE #204, FREMONT CA 94538 (510)-396-2149 CELL/ (510)-792-7220 PH/FAX	
OWNER INFO: SUBDIVISION OF EXISTING DRUG STORE FOR AHMED, RANA N & SILVIA 24989 SANTA CLARA ST HAYWARD, CALIFORNIA 94544 APN: 443-0065-012-00	
SHEET INFO:	
NO.	REVISION
01	DATE
02	DATE
03	DATE
04	DATE
05	DATE
06	DATE
COVER SHEET (SITE PLAN)	
PROJECT NUMBER	SAT-RAN-HAY
ISSUED	03.12.04
DESIGNED BY	J. MAKKAR
DESIGN SUPERVISOR	S. NARAYAN
FILE NAME	SAT-RAN-HAY-012-00
SHEET NO.	A0.1
OF 0.3 SHEETS	



EXISTING ELEVATION
SCALE: 1/8" = 1'-0"



PROPOSED ELEVATION
SCALE: 1/8" = 1'-0"



SECTION 1-1: THROUGH COVERED WALKWAY
SCALE: 1/4" = 1'-0"

CONSULTANT INFO:		
STRUCTURAL CONSULTANT: THE CHARTER GROUP, INC. 1700 WILSON AVENUE, SUITE 200 DUBLIN, CA 94568 TEL: 925-835-1100 WWW.CHARTERGROUP.COM	ARCHITECTURAL CONSULTANT: EDGE CONCEPTS INC. 1700 WILSON AVENUE, SUITE 200 DUBLIN, CA 94568 TEL: 925-835-1100 WWW.EDGECONCEPTS.COM	
MECHANICAL CONSULTANT: MANAGER'S CONSULTING ENGINEERS 1700 WILSON AVENUE, SUITE 200 DUBLIN, CA 94568 TEL: 925-835-1100 WWW.MANAGERSCONCEPTS.COM	LANDSCAPE CONSULTANT: LANDSCAPE CONSULTANT	
OWNER INFO:		
SUBDIVISION OF EXISTING DRUG STORE FOR AHMED, RANA N & SILVIA 24988 SANTA CLARA ST HAYWARD, CALIFORNIA 94544 APN: 443-0065-012-00		
SHEET INFO:		
NO	REVISION	DATE
01	OWNER REVIEW	03/12/04
02	PLANNING REVIEW	03/12/04
03		
04		
05		
ELEVATIONS & SECTION		
PROJECT NUMBER:		SAT-RAN-HAY
ISSUED:		03/12/04
DESIGN BY:		J. MARGAR
DESIGN SUPERVISOR:		S. MARGAR
FILENAME:		SAT-RAN-HAY-DES.DWG
SHEET NO.		A0.3
OF 0.3		SHEETS